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SECURITIES.

Washington, D.C. 20540

ANNUAL AUDITED REPORT  
FORM X-17A-5 (A)  
PART III

## OMB APPROVAL

OMB Number: 3235-0123  
Expires: February 28, 2010  
Estimated average burden  
hours per response..... 12.00

## SEC FILE NUMBER

8- 52753

## FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 ThereunderREPORT FOR THE PERIOD BEGINNING 01/01/06 AND ENDING 12/31/06  
MM/DD/YY MM/DD/YY

## A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: F. G. MARKERS, INC.

## OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

FIRM I.D. NO.

90 JOHN ST. #703

(No. and Street)

NEW YORK

(City)

NY

(State)

10038

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

SANTOSH SHELTY

212-227-6611

(Area Code - Telephone Number)

## B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

JONES KOHANSKI &amp; CO.

(Name - if individual, state last, first, middle name)

3939 BIRNEY AVE.

(Address)

MOOSIC

(City)

PA

(State)

18507

(Zip Code)

## CHECK ONE:

☒ Certified Public Accountant☐ Public Accountant☐ Accountant not resident in United States or any of its possessions.

PROCESSED

MAY 24 2007

THOMSON  
FINANCIAL

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\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

**FG MARKETS, INC.**

**TABLE OF CONTENTS  
DECEMBER 31, 2006 AND 2005**

---

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS:	
Balance Sheets	2
Statements of Income and Accumulated Deficit	3
Statements of Changes in Stockholder's Equity	4
Statements of Cash Flows	5
Notes to Financial Statements	6 - 9
ADDITIONAL INFORMATION:	
Operating Expenses	10
Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission	11
Computation for Determination of Reserve Requirements Under Rule 15c3-3 of the Securities and Exchange Commission	12
Information Relating to Possession or Control Requirements Under Rule 15c3-3 of the Securities and Exchange Commission	13
Reconciliation of Net Capital	14
SUPPLEMENTAL REPORT ON INTERNAL ACCOUNTING CONTROL AND MATERIAL INADEQUACIES	15 - 16

## **SUPPLEMENTAL REPORT ON INTERNAL ACCOUNTING CONTROL AND MATERIAL INADEQUACIES**

In planning and performing our audit of the financial statements of FG Markets, Inc. for fiscal year 2006, we consider the following to be a reportable condition under the standard established by the American Institute of Certified Public Accountants.

### **Reportable Conditions**

#### **Segregation of Duties**

A weakness exists in the internal control environment due to the nature of the operations and the limited number of individuals involved, it is difficult, if not impossible to adequately segregate duties and responsibilities. The absence of segregation of duties and responsibilities generally prevents the existence of any meaningful internal accounting controls.

However, given the nature of the business, the fact that the company does not carry any customer assets and the active participation of management and the board of directors in the organization's business activities mitigates this situation.

The audit did not disclose any material inadequacies

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DECEMBER 31, 2006 AND 2005**

---

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1
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**END**